

STATE OF IDAHO TAX UPDATE

VOLUME FOURTEEN – NUMBER TWO

JUNE 2002



This issue of Tax Update deals mainly with new sales tax laws. If you have questions about the material here, or if you need more information, contact any Idaho State Tax Commission office listed on the back of this newsletter.

Four Nonprofits Added to List of Exemptions

This year the Idaho Legislature added four new groups to the list of nonprofit organizations that are exempt from paying Idaho sales tax on purchases.

To claim the exemption from sales tax, an authorized representative of the organization must complete Form ST-101, Sales Tax Resale or Exemption Certificate, and give it to the vendor. Once the form is on file with the vendor, it covers all of the organization's exempt purchases.



Emergency Medical Service (EMS) Agencies

To qualify, an EMS agency must be a nonprofit 501 (c) (3) organization, be licensed with the Idaho Department of Health and Welfare, and provide emergency medical services to surrounding

residents. There are currently 38 such agencies in Idaho. *(HB 581, effective January 1, 2002)*

Volunteer Fire Departments

A qualifying department must meet the criteria of a 501 (c) (3) nonprofit organization and be mainly devoted to providing fire protection to surrounding residents. Idaho has about 80 volunteer fire departments. *(HB 581, effective January 1, 2002)*



Senior Citizen Centers

To qualify, a senior center must be a nonprofit organization that meets the criteria of section 501 (c) (3) of the Internal Revenue Code. A qualifying senior center must provide a wide variety of services

and activities for older individuals, including health, social, nutritional, education, and recreation. This exemption does not include sales to long-term care facilities. *(HB 494, effective July 1, 2002)*

Family Services Alliance (FSA) of Southeast Idaho

This nonprofit organization was added to the list of exempt "health related entities" that buy goods and services exempt from sales tax. FSA provides services in five southeastern Idaho counties, including shelter and counseling for battered women and their children. *(HB 482, effective July 1, 2002)*



**Can't Find Your Sales Tax Return?
Don't Panic! Try Telefile: 1-888-952-6311**

Livestock Auctions are Tax Exempt



Sales of livestock at public livestock markets are exempt from tax under a new law. The sales tax exemption applies to livestock purchased at:

- Public livestock auctions
- Sales held by a breeder or an association of breeders
- Going-out-of-business sales by farmers, dairymen, livestock breeders or feeders
- 4-H, FFA, or fair auctions

- Sales held by an association of livestock producers
- Sales held by a nonprofit cooperative, religious, fraternal or benevolent organization, as long as they are not in the organization's regular course of business

Livestock includes cattle, calves, sheep, mules, horses, swine or goats. Sales of other animals do not qualify. *(HB 481, effective February 27, 2002)*

Lawmakers Amend Vehicle Exemption

Idaho lawmakers have amended the exemption for motor vehicles sold for out-of-state use.

The exemption for sales of motor vehicles and utility trailers that are purchased in Idaho for out-of-state use was expanded last year to include ATVs, snowmobiles, and boats with attached motors. To qualify, a buyer must sign an

(continued on back)

Lawmakers Amend Vehicle Exemption

(continued from front)

exemption claim form agreeing to remove the equipment from Idaho right after taking delivery. The buyer must also title and license the vehicle or boat (if required) in another state or nation, and not use the vehicle or boat in Idaho more than 90 days in any calendar year.

This year, lawmakers clarified and added to the law. Changes include:

- Adding off-road motorcycles to the exemption;

- Clarifying that only nonresident buyers qualify for the exemption;
- Limiting the use in Idaho to no more than 60 days in any 12-month period;
- Clarifying that the buyer must register (and title or license, if appropriate) the vehicle or boat in another state or nation;
- Defining an ATV as having two or more low pressure tires, weighing under 650 pounds, being less than 48 inches wide, & designed to be ridden by one person;
- Clarifying that a boat qualifies if sold with a motor, or is at least 11 feet long without a motor; however, canoes, kayaks or inflatable boats qualify

only if sold with a motor.

The amendment also changes the existing exemption for utility trailers and motor vehicles purchased for use outside Idaho. Changes include:

- Expanding the exemption to all types of trailers that will be removed from Idaho for use out-of-state;
- Limiting the exemption to sales of motor vehicles and trailers to only non-resident buyers;
- Changing the length of time that the trailer or motor vehicle can be used in Idaho from 90 days in any calendar year to 60 days in any 12-month period.

(HB 513, effective July 1, 2002)

Where To Get Information

If you would like to know more about Idaho state taxes, call the Idaho State Tax Commission toll free at 1-800-972-7660 or contact any of the offices listed below:

Boise

800 Park Blvd., Plaza IV
(208) 334-7660

Pocatello

611 Wilson St., Suite 5
(208) 236-6244

Twin Falls

1038 Blue Lakes Blvd. N, Suite C
(208) 736-3040

Coeur d'Alene

1910 Northwest Blvd.,
Suite 100
(208) 769-1500

Lewiston

1118 F Street
(208) 799-3491

Idaho Falls

150 Shoup Ave., Suite 16
(208) 525-7116



HEARING IMPAIRED CALLERS:

Use the Idaho Relay Service (1-800-377-3529) to reach any Tax Commission office listed above.

Costs associated with this publication are available from the Idaho State Tax Commission in accordance with Section 60-202, Idaho Code.

TAX UPDATE is published quarterly and mailed to all sales and use tax account holders with their tax return forms. Unless otherwise noted, information in TAX UPDATE applies only to Idaho taxes. This newsletter is designed to provide general information only, and is not intended to offer comprehensive explanations of Idaho tax laws and rules. Specific questions should be addressed to the nearest State Tax Commission office. Comments about TAX UPDATE and suggestions for future issues should be sent to:

TAX UPDATE Editor
Public Information Office
State Tax Commission
P.O. Box 36
Boise, ID 83722



J U N E 2 0 0 2

This issue of Tax Update deals with:
NEW SALES TAX LAWS

IDAHO STATE TAX COMMISSION

P.O. Box 36
Boise, Idaho 83722